

Exhibit B

3.04.050 Authorizing execution of contract for administration.

The city manager and ~~finance officer~~the administrative service director ~~the~~ are authorized to enter into a contract with the Department of Revenue for the administration of this tax.

3.16.010 Authority.

Ordinance 2003-001 passed on January 23, 2003, is hereby repealed in its entirety except that acts performed under Ordinance 2003-001 ~~shall~~must remain valid acts, and the city manager (~~or his or her written~~ designee) and the ~~finance officer~~administrative services director or designee designated in SMC 2.14.020, ~~also known as administrative services director/treasurer~~, are hereby authorized to sign, endorse, make, execute, and deliver checks, notes, drafts and acceptances on behalf of the city and to execute electronic payment options for any and all of the following accounts maintained by the city for the conduct of its business at:

U.S. Bank

Treasurer's City of Sequim Checking Account

~~Interest Account~~Sweep Account

Claim Checks Account

Investments Account

Travel Advance Account

SNW Asset Management

Investments Account

Provided, that all such officers and designees ~~shall~~ comply with RCW 35A.13.160 and 35A.12.080 and SMC 2.16.020 related to oaths and bonds or fidelity insurance from the city's risk pool, for such officers.

3.24.030 General or current expense fund.

All money collected from the taxes levied for the payment of current expenses ~~shall after February 1, 1916~~, be credited and applied to the current expense fund, also called the general fund, and that all money collected from all licenses, ~~poundage fees~~, police court fines, or other receipts coming into the ~~city treasurer's~~finance office, except indebtedness fund taxes, ~~shall be~~are credited and applied to the current expense fund. All current expenses incurred by the city ~~from and after February 1, 1916~~, ~~shall will~~ be on ~~warrants~~checks drawn only upon the current expense fund.

3.42.030 Maintenance and use of proceeds.

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A. The net proceeds in this fund are to be used to assist the Sequim police department in funding drug enforcement as determined by the Sequim city manager and the chief of police. RCW 69.50.505(10) states, "Forfeited property and net proceeds not required to be paid to the state treasurer shall be retained by the seizing law enforcement agency exclusively for the expansion and improvement of controlled substances related law enforcement activity. Money retained under this section may not be used to supplant preexisting funding sources." The city ~~finance officer~~ administrative services director ~~shall~~ will have authority to manage these funds in the city budget and to create such funds as may be necessary.

B. The city ~~finance officer shall~~ administrative services director will establish a savings/checking account with a local bank for the deposit of needed proceeds to this fund. This account is intended to maintain any necessary confidential information with any purchases or expenditures from this account.

C. Withdrawals from the account ~~shall~~ will require written authorization of the chief of police ~~and the city manager~~.

D. Checks written for the police asset seizure ~~bank account~~ fund will require the signature of the city manager or ~~finance officer~~ administrative services director.

E. Confidential funds used for the purchase of evidence, contraband, information from informants or investigative expenses must meet at least the current minimum requirements for receipt documentation as required by the RCW and the Washington State Budgeting, Accounting, and Reporting manual (BARS) and requirements of RCW 69.50.505.

F. All bank statements for this fund will be given to the city ~~finance officer~~ administrative services director on a regular basis.

G. The city ~~finance officer~~ administrative services director is also authorized to invest the moneys from the police asset seizure fund as a separate secure investment.

3.48.010 Creation of separate revenue funds within combined utility fund.

Within the combined utility fund created in the office of the city ~~treasurer~~ administrative services director under SMC 3.50.010, there are two special subfunds of the city to be known as the water revenue subfund and the sewer revenue subfund, into which ~~shall be~~ is paid all the earnings, revenue, and moneys derived from the operation and ownership of the water system and sewerage system, respectively, and out of which ~~shall be~~ is paid the costs of maintenance and operation of the water system and sewerage system, respectively.

3.48.020 Creation of separate general facility (construction) funds within combined utility fund.

Within the combined utility fund created in the office of the city ~~treasurer~~ administrative services director under SMC 3.50.010, there are two special subfunds of the city to be known as the water general facility subfund and the sewer general facility subfund, into and out of which ~~shall be~~ is paid moneys for the acquisition, construction and installation of additions and betterments to and extensions of the water system and sewerage system, respectively, and costs and expenses incidental thereto.

3.48.030 Water replacement reserve fund within combined utility fund.

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Within the combined utility fund created in the office of the city ~~treasurer~~administrative services director under SMC 3.50.010, there is established a separate subfund for the city which ~~shall be~~is known as the water replacement reserve subfund. The subfund ~~shall will~~ establish a reserve for replacement of domestic water distribution facilities of the city and be expended as the replacement is needed.

3.48.040 Sewer replacement reserve fund within combined utility fund.

Within the combined utility fund created in the office of the city ~~treasurer~~administrative services director under SMC 3.50.010, there is established a separate subfund for the city which ~~shall be~~is known as the sewage replacement reserve subfund. The subfund ~~shall will~~ establish a reserve for replacement of sewage distribution facilities of the city and be expended as the replacement is needed.

3.50.010 Combined water and sewer utility.

A. Combined Water and Sewer Utility Established. The city maintains and operates a water system, Chapters 13.04 through 13.24 SMC, and a sewerage system, Chapters 13.28 through 13.64 SMC, pursuant to the provisions of RCW 35A.80.010 and 35A.21.150, and Chapters 35.67 and 35.92 RCW. In accordance with this authority and pursuant to RCW 35.67.331, 35.67.010, and 35.92.020, the city's water system, sewerage system, and any future utility enterprise that may be created and combined into this combined utility system by ordinance, together with all additions, extensions, and betterments at any time made, are combined into a combined utility.

B. Creation of Combined Utility Fund. There is created in the office of the city ~~treasurer~~administrative services director a special fund of the city, into which ~~shall be~~is paid all the earnings, revenue, and moneys derived from the operation and ownership of the water system, sewerage system, and other future utility systems (if any) combined by future ordinance. Out of this special fund ~~shall be paid~~ the costs of maintenance and operation of those systems is paid. The city ~~treasurer shall~~administrative services director will maintain separate books and accounts for each utility system pursuant to RCW 43.09.210 and Chapter 3.48 SMC. The city ~~treasurer shall~~administrative services director will segregate, credit, and deposit the earnings, revenue, and money derived from the operation of each utility system into separate funds or accounts for each utility system. Money in each such account ~~shall~~will be expended only for the utility system associated with that account.

3.52.110 Creation of accounts – Deposits.

A. 1. At the time an account is requested and before it is authorized, the ~~finance officer~~administrative services director or ~~his/her~~ designee ~~shall will~~ require the person requesting services to make a deposit with the city if they are not the property owner or are not on city water. If they are the owner of a property that the city provides with water, they may either make a deposit or present a copy of a verifiable prior utility credit rating or credit score deemed suitable to assure with certainty that the account with the city will not become delinquent. A deposit, if required, will normally be based on 60 days of average residential charges for the unit type for which services are requested.

2. Nothing in this section ~~shall will~~ prevent the city requiring additional or new deposits when conditions such as chronic delinquencies warrant.

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B. A deposit, once established, may be refunded in whole or in part to the person or credited to the account of that person upon receipt by the city of the person's prior utility credit rating or credit score deemed suitable by the ~~finance officer~~administrative services director or his/her designee; provided, that the property is served by city water and the occupant is the owner of the property. In the absence of such documentation, the deposit may be retained by the city until an account is ordered off or otherwise discontinued. The city may then, at its option, apply such deposit to pay fully any remaining charges on the account. Under no circumstances ~~shall~~will any part of the deposit be used as payment for charges until an account has been finalized and all services have been discontinued. If circumstances such as timely payment history warrant, the ~~finance officer~~administrative services director or ~~his/her~~ designee may, by determining that the city is assured with certainty that an account will not become delinquent, release all or part of the deposit to the depositor at his/her request; provided, however, that no such refund will occur for at least 12 months from the time of initial deposit.

C. A deposit may be required on commercial accounts in a manner consistent with the procedure set forth in this section when the ~~finance officer~~administrative services director or ~~his/her~~ designee determines that such deposit is necessary based on utility credit rating and/or payment history.

3.70.010 Established.

The ~~city clerk/finance officer~~administrative services director is hereby directed and ordered to establish, within a reasonable period of time, a revolving fund to be used solely for the purpose of making advance payments of travel, pursuant to RCW 42.24.130.

3.70.020 Separate checking account.

Pursuant to RCW 42.24.130, ~~the city clerk/finance officer~~administrative services director or designee is hereby directed and ordered to open a checking account, within a reasonable period of time, on behalf of the city of Sequim for the purpose of paying travel advancements. Authorized signatures shall be the city manager, city clerk/~~finance officer~~, and ~~deputy city clerk/finance officer~~ administrative services director. Moneys utilized to establish this fund ~~shall~~will be allocated from the current expense fund in the amount of \$5,000. Any interest earned on this fund will be allocated to the current expense fund.

3.74.040 Funds and accounting.

The ~~finance officer~~administrative services director is authorized and directed to establish such funds and accounting procedures as may be necessary to carry out the terms and conditions of any donation, devise, or bequest, in accordance with the laws of the state of Washington and requirements of the Office of the State Auditor.

3.76.030 Adoption of registration system.

D. Appointment of Registrar. Unless otherwise provided in the ordinance authorizing the issuance of registered bonds or obligations, the city ~~finance officer shall be~~administrative services director is the registrar for all registered interest-bearing warrants, installment contracts, interest-bearing leases, and

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other registered bonds or obligations not usually subject to trading without a fixed maturity date or maturing one year or less after issuance and the fiscal agent ~~shall be~~ the registrar for all other city bonds and obligations without a fixed maturity date or maturing more than one year after issuance.

E. Duties of Registrar. The registrar ~~shall~~must serve as the city's authenticating trustee, transfer agent, registrar, and paying agent for all registered bonds and obligations for which he, she, or it serves as the registrar and ~~shall be~~shall must comply fully with all applicable federal and state laws and regulations respecting the carrying out of those duties. The rights, duties, responsibilities and compensation of the registrar ~~shall be~~ prescribed in each ordinance authorizing the issuance of the bonds or obligations, which rights, duties, responsibilities, and compensation ~~shall~~must be embodied in a contract executed by the city and the registrar, except that (1) when the fiscal agent serves as registrar, the city adopts by reference the contract between the State Finance Committee of the state of Washington and the fiscal agent in lieu of executing a separate contract and prescribing by ordinance the rights, duties, obligations and compensation of the registrar; and (2) when the city ~~finance officer~~administrative services director serves as registrar, a separate contract ~~shall is~~ not ~~be~~ required. In all cases when the registrar is not the fiscal agent and the bonds or obligations are assignable, the ordinance authorizing the issuance of the registered bonds or obligations ~~shall will~~ specify the terms and conditions of: (a) making payments of principal and interest; (b) printing any physical instruments, including the use of identifying numbers or other designation; (c) specifying record and payment dates; (d) determining denominations; (e) establishing the manner of communicating with the owners of the bonds or obligations; (f) establishing the methods of receipting for the physical instruments for payment of principal, the destruction of such instruments and the certification of such destruction; (g) registering or releasing security interests, if any; and (h) such other matters pertaining to the registration of the bonds or obligations authorized by such ordinance as the city may deem to be necessary or appropriate.

13.60.010 Side sewer contractor requirements.

B. No side sewer contractor's license ~~shall will~~ be issued until the applicant has appeared before the city engineer and has been examined by him/her, by oral and/or written examination as to the applicant's knowledge of side sewer construction work and the ordinances of the city regarding side sewers. The city engineer ~~shall must~~ deny the approval of any applicant ~~whom he finds that~~ does not possess adequate experience or knowledge. Applicants for such examination by the city engineer ~~shall must~~ pay to the ~~city treasurer~~administrative services director the sum of \$15.00 before taking the examination, and the receipt number ~~shall be~~ noted upon the examination and filed in the city engineer's office.

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